

**2006 State  
Board of Administration Election**

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**CANDIDATE STATEMENT BOOKLET**



California Public Employees' Retirement System  
*[www.calpers.ca.gov](http://www.calpers.ca.gov)*

## 2006 STATE BOARD ELECTION

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### California Public Employees' Retirement System

**This booklet contains information about the election of the State representative to the California Public Employees' Retirement System's (CalPERS) Board of Administration. The candidate having a majority of votes in the election shall be certified by the Secretary of State as having been elected. If no candidate receives a majority of votes in the election, a runoff election will be conducted between the two candidates who received the highest number of votes. The term of office begins January 16, 2007 and ends January 15, 2011.**

#### Information About The CalPERS Board of Administration

The Board of Administration manages CalPERS, and administers defined benefit retirement plans to more than 1,016,000 active and inactive members and more than 431,000 retirees, survivors, and beneficiaries. Benefits are based on members' years of service, age, and final compensation. In addition to retirement, disability, and health programs, the Board administers the Legislators' Retirement System, the Judges' Retirement System, the Judges' Retirement System II, the Public Agency 457 Deferred Compensation Program, the Member Home Loan Program, the Long-Term Care Program, the Volunteer Firefighters' Length of Service Award System, and the State's contract with the federal government for Social Security.

Constitutional and statutory law authorizes the CalPERS Board to invest in stocks, bonds, mortgages, real estate, and other investments. The CalPERS Board also acts as a multi-employer group purchaser of health insurance for more than 1.2 million public employees and their family members.

The Board has plenary authority for the investment of retirement fund assets, and for the administration of the System. Responsibilities include setting employer contribution rates, determining asset allocation, providing periodic actuarial valuations, determining appropriate rates of interest, and more. However, the Board does not have the authority to add, delete, or change benefits without going through the legislative process.

The CalPERS 13-member Board consists of elected, appointed, and ex officio members.

## OFFICIAL BALLOT VOTING INSTRUCTIONS

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- **Review all Candidate Statements before voting.**
- **Vote for one candidate.**
- If you vote for more than ONE candidate then NONE OF YOUR VOTES FOR THAT POSITION WILL BE COUNTED.
- Vote only on the official ballot. Do not vote on any other material, or your vote will not be counted.
- To vote, fill in the oval completely, to the right of the printed name of the ONE candidate of your choice. Use a BLACK or DARK BLUE PEN to fill in the oval.
- DO NOT use any other color ink or pencil to fill in the oval or your vote may not be able to be counted.
- DO NOT write, punch a hole, or make any marks on the official ballot, other than filling in the oval or your vote may not be able to be counted.
- DO NOT vote by circling the name of the candidate, by marking an "X", or by circling the oval or your vote may not be able to be counted.
- Tear off the prepaid return envelope on the back of this booklet, which has a bar code identified to you. DO NOT use another member's envelope.
- DO NOT include another member's official ballot or any other material in this envelope.
- Include YOUR signature on the signature line provided on the return envelope, or your vote will not be counted. For questions on signature procedures, call the CalPERS Board Elections Office at (916) 795-3952, local, or (800) 794-2297, toll-free.
- DO NOT sign your name on the official ballot or on the Candidate Statements instead of signing your name on the signature line provided on the return envelope, or your vote will not be counted.

- DO NOT rubber stamp your name or affix a name label instead of signing your name on the signature line provided on the return envelope or your vote will not be counted.
- Enclose and seal ONLY your official ballot in this envelope and mail it immediately.
- The mailed, signed envelope containing your voted official ballot must be received or postmarked no later than the September 29, 2006 deadline, at the address shown on the return envelope, in order to be counted.
- The official certified election results will be distributed to employers in a Circular Letter by January 2007 and placed on the CalPERS web site.

Note: If you spoil your official ballot, you may request a replacement ballot by calling the CalPERS Board Elections Office at (916) 795-3952, local, or (800) 794-2297, toll-free. DO NOT request a replacement ballot if you have already mailed your official ballot to CalPERS.

If you lose your return envelope, you can use your own envelope to mail your ballot, by using the following instructions:

- The words “CalPERS State Ballot Enclosed” should be boldly printed on the outside of the envelope.
- The reverse side of the envelope must be signed by the member who voted the enclosed ballot. The following statement must also appear on the reverse side of the envelope: I Hereby Certify Under Penalty of Perjury under the laws of the State of California that I was an active member of the Public Employees’ Retirement System on July 1, 2006, and therefore I am eligible to participate in this election, and that I personally voted the enclosed ballot and sealed it in this envelope.
- Indicate the date of signature (e.g. Dated: \_\_\_\_\_, 2006)

Mail your official ballot to:

California Public Employees’ Retirement System  
 1321 Howe Avenue, Suite 200  
 Sacramento, CA 95825-3309

## STATE CANDIDATES

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The following statements have been prepared by the candidates running for the State representative position on the CalPERS Board of Administration. **The CalPERS Board of Administration has not verified these statements in their entirety and assumes no responsibility as to their accuracy.**

**George Diehr**

**Howard L. Schwartz**

**James G. McRitchie**

## CANDIDATE STATEMENT

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### **George Diehr**

**Years of CalPERS-Covered Service:** 15.7

**Employer:** California State University

**Job Classification:** Professor Management Science

As your elected representative, I am proud to keep working to make life better for CalPERS members:

- Fight healthcare cost increases
- Improve quality and access to healthcare
- Protect our defined benefit pensions
- Help build our fund to \$210 billion
- Protect public sector jobs
- Fight corporate and executive greed
- Help members obtain benefits (gdiehr@csusm.edu: 858-792-1560)

My job is to ensure all CalPERS members and their families have the best benefits available, and our investments grow to protect our health and retirement security. During my next term, I will continue working to protect health benefits, contain employee costs, and improve services.

#### *CalPERS Responsibilities*

- Chair, Health Benefits Committee
- Vice Chair, Investments Committee
- Board member, National Coalition on Health Care

#### *Education and Experience*

- Ph.D, MBA – UCLA
- BS Engineering – Harvey Mudd College
- Professor of management, 31 years – CSU San Marcos; University of Washington
- California Faculty Association – Past President, San Marcos Chapter; Chair, Bargaining Strategy Committee; Member, Contract Bargaining Team

#### *Endorsements*

- California Faculty Association
- All elected CalPERS Board members
- SEIU State Council
- California School Employees Association

*Vote for Experience, Ability, Achievements – Protect Our Health and Retirement Security*

## ADDENDUM

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### George Diehr

*“George Diehr’s experience and outstanding performance on the PERS board is precisely what we need to protect the benefit and retirement promises made to all state employees.”*

- *Rob Feckner, President, CSEA*

State employees face tough times. Our pensions and benefits are under attack and the Department of Personnel Administration wants to cut our pay.

I work to protect retirement and health benefits for all CalPERS members and stand up against schemes to undermine state workers or put more risk on our shoulders.

The AFSCME State Council also endorses me.

Help me keep our future secure. [www.gdiehr4PERS.com](http://www.gdiehr4PERS.com)

## CANDIDATE STATEMENT

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### **Howard L. Schwartz**

**Years of CalPERS-Covered Service:** 7.8

**Employer:** California Public Employees' Retirement System

**Job Classification:** Staff Counsel IV

None of us are getting rich. But we are all given a promise. Work long enough and some day we can expect a pension and medical plan that will allow us to live with dignity in our senior years. That is a fair deal for those of us who protect the public, educate our children, secure our prisons, care for the needy, design and maintain our highways, and keep safe the natural resources of California.

Now our promise is in peril. Politicians would like nothing more than to use our retirement funds for their own special projects. Greedy drug companies and hospital chains are driving the cost of health care through the roof. Our employer is refusing to pay more for benefits, and we have greater deductions from our checks.

For over twenty years I have fiercely defended the rights and benefits of State employees. Many of you know my record as a supervising attorney with the CSEA legal staff, later as the Chief Counsel for the Department of Personnel Administration, and today, as a Senior Staff Counsel with the CalPERS Legal Office.

Join me. Together we will keep the promise of a secure future for State employees alive.

## ADDENDUM

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### Howard L. Schwartz

Here's where we stand:

- CalPERS health plan premiums increase by double digits year after year.
- Thousands of new State employees are forced into an Alternate Retirement Plan.
- Legislators propose to eliminate our defined benefit pensions.

Our paychecks are at risk. Our CalPERS representative promises to help. We wait for leadership. Many hear nothing. We deserve better.

Firefighters, Correctional Officers, Highway Patrolmen, office, campus and institutional employees all want strong, new leadership. Their unions agree.

I am endorsed by:

- CDF Firefighters
- CCPOA
- CAHP
- CAPT
- CAPS
- CASE

Join us. Vote Schwartz

[www.schwartz4calpers.com](http://www.schwartz4calpers.com)  
[Howard\\_Schwartz@sbcglobal.net](mailto:Howard_Schwartz@sbcglobal.net)

## CANDIDATE STATEMENT

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### **James G. McRitchie**

**Years of CalPERS-Covered Service:** 31

**Employer:** California Department of Toxic Substances Control

**Job Classification:** Ethics Officer

Dynamic activist fighting for CalPERS member rights/benefits. My articles exposed last year's attack – a scheme to funnel \$5 billion/year to corporate money managers and reduce retirement earnings \$10 billion/year by eliminating defined benefit plans.

The next attack? Health benefits. I'll create a pre-funded trust fund, like we have for our pension, protecting our health benefits and using investment returns to reduce costs.

Increase responsiveness. "Californians Aware" audit gave CalPERS an F, while my department/staff got an A. I'll bring first-class customer service to CalPERS.

My proposed election reforms:

- Reduce risk of ID theft.
- Prohibit staff from using their official position to favor incumbents.
- Initiate "instant runoff" elections, allowing members to rank candidates, eliminating costly second ballots.

Jim McRitchie, proven leadership:

- Legislative and shareholder advocate.
- Union activist.
- Advised U.S. State Department, Asian Development Bank on shareholder rights.

\$3 trillion Council of Institutional Investors credited my SEC petition with "re-energizing" the movement to make corporate directors and CEOs accountable to shareholders, like CalPERS.

M.P.A. – CSUS

M.A. Sociology - Boston College

Fellow, Institute for International Corporate Governance and Accountability, George Washington University

Call 916-869-2402.

Write [jm@perswatch.net](mailto:jm@perswatch.net)

Visit <http://perswatch.net>

Vote McRitchie! Protect our rights and benefits.

## ADDENDUM

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### James G. McRitchie

#### McRitchie Delivers

- Worked to enact Constitutional amendment, making CalPERS independent from politicians.
- Won release of closed-door minutes to hold directors accountable for their votes.
- Publicized CalPERS' reduction of State's contribution rate eight out of eleven years, helping win SB 400 "equity adjustment" retirement raise.
- Initiated election reforms: informative candidate statements and runoff vote required if no candidate wins majority.
- Senate testimony helped shape legislation preventing "pay to play."
- Obtained OAL ruling: CalPERS must adopt regulations through a public process, not secretly.

Independent voice for members. Worked through the ranks of civil service. Vote McRitchie.

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